

**VILLAGE OF NORTHFIELD
BOARD OF TRUSTEES
BUDGET MEETING #1
Minutes of March 13, 2006**

- I. **ROLL CALL:** Chair Thomas McCarney (absent), Trustees Samantha Baraw (absent), Libby Hambleton, Richard Suitor, and James Wilson. Also present were Village Manager Nanci Allard (until 6:50 p.m.) and Accounting Manager Laurie Baroffio.

Vice-Chair Richard Suitor called the budget meeting to order at 6:00 p.m.

II. **PUBLIC PARTICIPATION: None**

III. **BUDGET WORK SESSION**

The Electric budget is presented based on revenue projections from the Vermont Public Power Supply Authority (VPPSA) and cost estimates of an upgrade to solve Norwich University's (NU) project problems. It is not based on the proposed rate case, which will be coming soon, but not in time to make the Village Report. It shows a shortfall of about 5%.

There are a variety of capital decisions we will have to make, not necessarily in this budget cycle, but we should make an honest attempt.

We have both cash on hand and significant depreciation accounts and unused capital accounts. Considering the continuing increase in purchased power costs, Accounting Manager Baroffio recommends not lowering cash on hand to either finance Vermont Electric Power Company (VELCO) stock purchases or major upgrades.

Depreciation accounts are maintained to finance future capital expenditures.

Some of these accounts are for expenses which we may not incur. Some are for changes that might well be done as part of the upgrade activities associated with the NU project. Without objection, the Board asked the Accounting Manager to relay to the Manager a request for a recommendation concerning what additional projects ought to be included with the Northfield Electric department (NED) part of the upgrade to benefit from any economy of scale and to what extent this project should borrow from NED depreciation and to what extent it should borrow from the bank.

Both the Water and Sewer budgets are based on projected revenues as predicted by past years' behavior. Both of these budgets balance without a need for increased revenues. It is possible that, when the end-of-year assessments are made, changes in usage and ERU assessment will trigger a need for a rate adjustment. Management will make an appropriate recommendation at that time.

An expense for upgrading the sewer line that NU will install is included in the capital budget on page 35. It has a minor effect on the budget bottom line since an amount put away annually for the well-field protection project is diverted to this purpose for this year only. (There has been no word back from DuBois & King concerning financing for a well-field protection project.)

IV. **PUBLIC PARTICIPATION: Non-agenda items.** There was none.

V. **ADJOURNMENT:** Without objected, the meeting adjourned at 7:50 p.m.

Respectfully submitted,

Richard Suitor

Richard Suitor, Acting Clerk

These minutes are subject to approval at the next regular meeting.